

FY 2003 Library Services and Technology Act Grant Administration Handbook

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Library of Michigan FY 2003 LSTA Grant Administration Handbook

The Library of Michigan is part of the Department of History, Arts and Libraries, whose mission is to enrich the quality of life for Michigan residents by providing access to information, preserving and promoting Michigan's heritage, and fostering cultural creativity. The department also includes the Mackinac Island State Park Commission, the Michigan Council for Arts and Cultural Affairs, the Michigan Film Office and the Michigan Historical Center.

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Dear Colleagues:

Congratulations on your successful LSTA grant proposal! We are pleased that we can make LSTA funding available to assist you in providing improved library services for your community. Your hard work and due diligence on behalf of your patrons has the potential not only to enhance overall library service but also to impact lives.

We now enter the action phase of your grant project. This Grant Administration Handbook is designed to assist you in implementing a successful project each step of the way. Used in conjunction with the training you will receive in grant administration, you will have the tools you need to help complete every step of the grant project.

We wish you success and hope that the program is rewarding for everyone concerned. I look forward to hearing about the outcomes of your project.

Christie Pearson Brandau



State Librarian
Library of Michigan

TABLE OF CONTENTS

FY 2003 LSTA Grant Administration Handbook

I. Introduction	6
II. Timeline	6
III. Award Process	7
IV. General Administration Guidelines	7
V. Reimbursement Policies and Procedures	8
VI. Ownership of Federally Funded Equipment and Supplies	12
VII. Project Revisions	13
VIII. Property and Services Procurement	14
IX. Copyrights	14
X. Reports	15
XI. Single Audit Requirements and Costs	15
XII. Records Retention	16

Appendices

Appendix A, Contact Information	19
Appendix B, Glossary	20
Appendix C, Travel Information	22
Appendix D, FY 2003 Grant Timeline	24
Appendix E, 2003 LSTA Advisory Council	25

I. INTRODUCTION

This handbook provides guidelines for administering your LSTA grant, including guidance on reimbursement policies, procedures and documentation; reporting requirements; project revisions; and records retention. The guidelines should be followed carefully to ensure a successful project. The handbook can be useful for everyone involved with the project. Keep this handbook near by, and refer to it any time that questions arise. This handbook is key in communicating grant requirements and changes.

This grant is funded under the Library Services and Technology Act (LSTA), which is administered at the federal level by the Institute of Museum and Library Services (IMLS). This federal program has two broad funding areas:

- to encourage activities that use technology for information sharing among libraries, and between libraries and other community services;
- to support programs that make library resources more accessible to urban and rural localities, low-income residents, and to others who have difficulty using library services.

The Library of Michigan administers the grant program in Michigan and is responsible for developing a statewide plan for service within the federal guidelines. Goals for the improvement of library service, as well as the specific programs and services to be funded, have been identified in the *Library Services and Technology Act: Five-Year Plan for Michigan, October 2002 through September 2007*, published by the Library of Michigan. The state plan is implemented through annual LSTA programs, services and grants, and may be viewed at: http://www.michigan.gov/documents/hal_lm_lsta2002-2007_50941_7.pdf.

Note: A number of the items in the handbook do not apply to the **Incentive Mini-Grants for Digitization**. In general, these exceptions are noted where they occur.

II. TIMELINE

FY 2003 Grants

Award announcement letters and grant contracts mailed:	May/June 2003
Grant administration workshops:	June 2003
Interim report due:	September 30, 2003
Project revision deadline:	May 31, 2004
Expenditure deadline:	July 30, 2004
Reimbursement request deadline:	August 31, 2004
Final narrative report due:	September 30, 2004

FY 2003 Incentive Mini-Grants for Digitization

Award announcement letters and grant contracts mailed:	May/June 2003
<i>Making of Modern Michigan</i> workshops and library consultations:	Summer 2003
Reimbursement request one due:	September 30, 2003
Reimbursement request two due:	January 16, 2004
Reimbursement request three due:	June 15, 2004

III. AWARD PROCESS

Award Notification: A letter and grant contract are sent to announce the award of an LSTA grant. A grant contract is prepared and executed with each grantee and fiscal agency. The contract will identify the responsibilities of both the grantee and the Library of Michigan.

Forms: All forms needed to administer the LSTA project will be provided at the Grant Administration Workshop. The forms may be reproduced as needed and are also available at www.michigan.gov/hal.

Grant Administration Workshops: Each grant recipient will be required to attend a grant administration workshop presented by Library of Michigan staff. The Grant Administrator must attend the workshop to maintain eligibility for the grant. Library Directors, Fiscal Agents and others involved in the project also are welcome and encouraged to attend. The workshop is designed to provide project management information to administer an LSTA grant effectively.

Incentive Mini-Grants for Digitization: Recipients of the Making of Modern Michigan (MMM) Digitization Mini-Grants will receive a copy of the FY2003 LSTA Grant Administration Handbook along with the Award Notification and Grant Contract. Recipients of the Digitization Mini-Grants are not required to attend the Grant Administration Workshops; however, disbursement of the initial and all subsequent reimbursements are contingent upon the Library of Michigan receiving a Certificate from the Making of Modern Michigan administrators. The Certificate will ensure: 1) that the grantee has attended initial training; and 2) that the grantee has consulted with a MMM trainer regarding necessary project revisions.

Contracts and Certification: Grant contracts must be signed and returned to the Library of Michigan before any grant funds are spent and reimbursable. Return the signed contracts and certifications as soon as is feasible to prohibit any delays in the start of the grant period and the Library of Michigan's ability to disburse any reimbursement funds.

CIPA Certification: If the grant recipient library is an elementary or secondary school library in a public school system OR a library consortium that includes any such libraries, the grant contract will include a Children's Internet Protection Act (CIPA) Certification Form, as required by law. By checking appropriate boxes, the library assures the Library of Michigan and IMLS of compliance with CIPA. Such compliance entails that computers will not be purchased to access the Internet using LSTA grant funds unless the library has met CIPA requirements with regard to technology protection measures (i.e., Internet filtering) and an Internet safety policy.

IV. GENERAL ADMINISTRATION GUIDELINES

The following guidelines apply to **ALL** grant funding areas.

- Grantees are strongly encouraged to implement their project as soon as the contract is executed. The expenditure period is approximately 14 months long, and *less for Mini-Grants*.
- All LSTA project activities must occur within the expenditure period identified in the grant

award notification. *Project costs and obligations incurred prior to or beyond the expenditure or grant contract period will not be reimbursed.*

- Libraries may not charge patrons for the use of materials or equipment acquired with LSTA funds during the grant period. After the close of the grant, fees are a matter of local policy.
- Libraries must notify the Library of Michigan of any changes in key personnel, including Grant Administrator, using the *LSTA Change in Key Personnel* form.
- When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, all grantees must clearly state: 1) the percentage of the total costs of the program or project which will be financed with federal money; 2) the dollar amount of federal funds for the project or program; and 3) percentage and dollar amount of the total costs of the project or program that will be financed by non-government sources.
- If the authorized official fails to respond to a request for information, the Library of Michigan may contact the Board Chairperson to obtain information and to prevent the lapse of federal funds.

V. REIMBURSEMENT POLICIES AND PROCEDURES

Approved Costs: Funds must be expended solely for the purposes described in the approved grant project proposal or project revision. When items are purchased that are not specifically mentioned in the grant proposal, the grantee runs the risk of covering those expenditures with local funds. Submit project and budget revision requests prior to making changes to ensure approval and reimbursement. The Library of Michigan retains the right to deny reimbursement for items that are not described sufficiently in the initial grant proposal or subsequent revision requests.

Reimbursements: Funds are available to grantees on a reimbursement basis only. The Library of Michigan will reimburse the grantee when:

- a. The grantee has received the goods and/or services; and,
- b. The grantee has paid for the goods and/or services; and,
- c. The grantee submits the *LSTA Reimbursement Request Form* with supporting documentation to the Library of Michigan.

Recipients of grants falling under the **Collaboration and Partnership** funding area shall submit all required reimbursement documentation, laid out in this section, and all reimbursement payments will be made at 80% of the total reimbursement requested. The 20% local match is the responsibility of the grant recipient.

Subscriptions and maintenance agreements which have received prior approval and are in direct support of project objectives may extend beyond the grant period for no more than twelve months if the subscriptions and agreements are ordered and paid for prior to the expenditure deadline.

Please Note: For Digitization Incentive Mini-Grants, only three reimbursements will be paid, each for \$500.

- The **first reimbursement** of \$500 will be paid after the Library of Michigan has received the following completed forms: 1) The applicant library must receive a *Certificate* from a Making of Modern Michigan Regional Digitization Center (RDC) which states that staff has completed training at a RDC, and that library staff has had an individual consultation with a MMM trainer regarding any necessary revisions to the library's project; 2) The second form required for the initial disbursement is the *Incentive Grant Effort Report*. Using this form the library must confirm that staff has spent no less than 20 hours on the digitization project; 3) The *Reimbursement Request One* is submitted. Expenditures relating directly to the grant shall be noted and shall have source documents (receipts, invoices, etc.) attached; 4) The *Interim Report* must also be completed. **These four forms must be submitted together to the Library of Michigan.** The due date for this reimbursement request and its supporting documentation is **September 30, 2003.**

- Information on training, schedules, and the Regional Digitization Center may be obtained at <http://mmm.lib.msu.edu/>. In addition, staff from a RDC will be contacting you by July 15, 2003 to discuss your project and training.

- The **second reimbursement** of \$500 will be paid after the following: 1) The library has received approval of a *Digitization Plan for Participating Library* from MMM staff at a Regional Digitization Center; 2) The *Reimbursement Request Two* is submitted. Expenditures relating directly to the grant shall be noted in the Budget Report and shall have source documents (receipts, invoices, etc.) attached; 3) In addition, a second *Incentive Grant Effort Report* is submitted, confirming that an additional 20 hours has been spent on grant related activities. **These three forms must be submitted together to the Library of Michigan.** The due date for this reimbursement request and its supporting documentation is **January 16, 2004.**

- The **third reimbursement** of \$500 will be paid after the library has done each of the following: 1) Actual items have been contributed to the Making of Modern Michigan; 2) The *Reimbursement Request Three* is submitted; and 3) A third *Incentive Grant Effort Report* is submitted, confirming that an additional 20 hours has been spent on grant related activities; 4) A *Final Narrative Report* is completed. **These three forms must be submitted together to the Library of Michigan.** The due date for this reimbursement request and its supporting documentation is **June 15, 2004.**

Printed Items: Include a complete copy or sample of promotional materials with your *Reimbursement Request* when those costs are claimed as part of the grant. The following statement must be included on all printed, promotional materials funded by LSTA dollars and on publicity about the LSTA project:

"This project is funded with a Library Services and Technology Act grant from the Institute of Museum and Library Services, administered by the Library of Michigan."

Professional Services: Grantees may contract for services from individual libraries, library cooperatives, or other entities. Rules regarding reimbursement vary depending upon the type of service provider. In most cases a contract is not required for professional services to be provided by unrelated entities. In cases in which a contract is utilized, the contract must be executed by

the Project Revision Deadline of May 31, 2004. Documentation submitted for *Reimbursement Requests* must be in the form of an invoice, on documentation letterhead of the service provider, or on the *LSTA Record of Professional Services* form.

Professional services to be provided by another library or library cooperative must be documented to reflect an arms-length transaction. Invoices submitted for reimbursement must contain the dates when the services were performed and a description of the services and charges for the services. The dates must be within the grant period. They must be on the letterhead of the service provider.

Contracts over \$2,000 that include services performed by laborers or mechanical workers (i.e. carpentry, alteration, electrical, or painting) are covered by the Davis Bacon Act as well as other related federal acts. These contracts would require payment of federally established prevailing wages and fringe benefits. If you suspect that your project involves this type of contractual situation, contact the Library of Michigan for further information before signing any contracts. *LSTA funds, in general, are not eligible for projects when the Davis Bacon Act applies.*

Travel Reimbursements: Travel costs may be incurred only when they are in direct support of project objectives. Mileage requests require a beginning and ending destination, as well as the purpose of the travel. Expenses for lodging must be supported by dated receipts. Requests for reimbursement of travel related expenses must be approved in the initial grant proposal or subsequent revision requests.

Travel costs are limited to rates established by the State of Michigan that are in effect at the time the expense is incurred. Reimbursements must be documented on *LSTA Travel (Speaker) Reimbursement* forms.

Ineligible Costs: The following items are examples of costs **not eligible** for reimbursement. *This is not an exhaustive list.* If you are uncertain of whether a cost is eligible, please contact Library of Michigan staff.

- a. Food and beverages provided at workshops, meetings, or open houses
- b. Fringe benefits
- c. Payroll taxes
- d. Photocopiers
- e. Sales taxes
- f. Transportation equipment
- g. Overhead and indirect costs
- h. Construction costs
- i. Overtime
- j. Entertainment

Reimbursement Documentation: A sample of each form described below will be provided to you. Copy as needed. The forms are also available at www.michigan.gov/hal.

LSTA Reimbursement Request/Invoice Summary: Reimbursement requests for expenses incurred for the project must be submitted on this form. The form must have original signatures

of the Grant Administrator and Fiscal Agent. Use the *LSTA Change of Key Personnel* form to notify the Library of Michigan should either of these individuals change during the life of the project.

The Library of Michigan must receive all completed *Reimbursement Requests*, including all attachments, no later than August 31, 2004 (June 15, 2004 for Mini-Grants for Digitization). This form summarizes the project expenditures for which reimbursement is being requested. If it is determined that information is missing from the Reimbursement Request during the Library of Michigan's review, the Reimbursement Request may be returned to the grantee in part or in its entirety, along with a letter that identifies what additional information is needed.

When complete information is received with the *Reimbursement Request*, the Library of Michigan will release a payment promptly. The grantee should staple the reimbursement check stub to the file copy of the *Reimbursement Request* after it has been received from the Michigan Department of Treasury. This will help to create an audit trail to identify the source of funding.

Source Documents: A legible copy of each vendor invoice documenting that the transaction occurred within the expenditure period is **required** for each reimbursement request. Invoices must be dated, and they must include the quantity, unit cost, and descriptions of goods and/or services provided. For on-line purchases, a vendor order confirmation showing the order date, description of the item(s) ordered, and price for each item, plus shipping and other charges, may be accepted in place of the invoice. Packing slips that include the above information are acceptable when the vendor does not provide an invoice.

LSTA Timekeeping Report: This form is **required** when grantees are requesting reimbursement for activities supported by individuals who are included on the library's regular payroll, as specified in the approved project proposal. Fringe benefits and overtime rates paid by the grantee are not eligible for reimbursement. The form must be used for each LSTA-funded library employee to claim reimbursement for wages.

Library employee wages are allowable only when:

- 1) the employee is on the library's payroll;
- 2) the functions supplement, not supplant, activities normally carried out by the library;
- 3) the wage is appropriate and reasonable for the LSTA activity; and,
- 4) the functions are allowed under the LSTA program guidelines.

Only staff hours actually funded by the LSTA award should be recorded on the timekeeping form. The hours worked must be multiplied by the pay rate and recorded in the lower right-hand section of the timekeeping report. The number of hours recorded on the time sheets must tally with the number of hours for which reimbursement is requested. The employee and the supervisor must sign and date all time sheets submitted to the Library of Michigan for reimbursement.

LSTA Equipment Inventory: This form documents all tangible, non-expendable personal property with a useful life of more than one year and an acquisition per-unit cost of \$5,000 or more. Information to be completed on the Equipment Inventory form includes:

- 1) A description of the equipment, including the manufacturer's model and serial number;

- 2) Acquisition cost (the net invoice price of the equipment, including the cost of installation, transportation, testing and similar preparatory costs, modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired);
- 3) Vendor from which the equipment was purchased;
- 4) Date equipment was received by the library;
- 5) Location of the equipment in the library;
- 6) Federal share (Percentage of acquisition cost paid by LSTA funds);
- 7) Information on whether the equipment purchased is used by the library patrons and/or personnel;
- 8) Any final data such as information on transfer or disposition of equipment. List the date, sale price, or method used to determine fair market value, where applicable.
(See Section VI.)

Equipment purchased with grant funds is subject to federal regulations (45 CFR 1183.32) and state guidelines. Such equipment must be *identified with a faceplate* as provided by the Library of Michigan.

A separate *Equipment Inventory* form must be maintained for each LSTA grant project and submitted to the Library of Michigan with the Reimbursement Requests for the inventoried items.

VI. OWNERSHIP OF FEDERALLY FUNDED EQUIPMENT AND SUPPLIES

Title to equipment and property acquired with LSTA grant funds vests with the grantee subject to the condition that the grantee shall use the property for the authorized purpose of the project as long as it is needed and, at minimum, throughout the grant period. Equipment shall be used by the grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported with federal funds, regardless of purchase cost or current value.

Local procedures for managing equipment must, at a minimum, adhere to the following requirements:

- a. Property records must be maintained. Such records must include: a description of the property; a serial number or other identification number; the source of property including the award number; title holder; the acquisition date; the cost of the property; percentage of federal participation in the cost of the property; the location, use and condition of the property; and any ultimate disposition data including the date of disposal and sale price of the property.
- b. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. A copy of the inventory must be submitted to the Library of Michigan.
- c. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated and documented.
- d. Adequate maintenance procedures must be developed to keep the property in good

condition.

- e. Proper sales procedures must be established to ensure the highest possible return if the grant recipient is authorized or required to sell the property. Grant recipients assume any expenses incurred from selling LSTA funded equipment. There is no provision for using any of the sale proceeds to cover expenses.

Disposition includes, but is not limited to selling, loaning, exchanging, trading in, transferring, donating, destroying, or using the equipment for purposes other than supporting the authorized LSTA project. Disposition reduces a grantee's control of LSTA funded equipment.

When acquiring replacement equipment, the grantee may use the equipment to be replaced as a trade-in, or sell the property and use the proceeds to offset the cost of the replacement property, subject to prior approval by the Library of Michigan.

Fair market value is the estimated, appraised value that could be received for an asset in a transaction with a neutral party in an open market. It is the price for which the asset could be sold in an arms-length transaction between unrelated parties.

For equipment with a fair market value of \$5,000 or more: The grantee may retain or sell the equipment and the federal government shall have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the federal government's participation in the cost of the original project. This amount is payable to the Library of Michigan as the administrative agency for the LSTA grant. All disposition of such equipment must have prior written approval from the Library of Michigan.

For equipment with a fair market value of less than \$5,000: The grantee may retain, sell, or otherwise dispose of the equipment with no further financial obligation to the federal government. If the item was reported on an LSTA Equipment Inventory form, notice of such disposition must be reported to the Library of Michigan.

VII. PROJECT REVISIONS

Prior, written approval is required for programmatic or budget changes. Specifically, **major** changes made to your project from those stated in the original proposal or an earlier revision must be submitted in writing on the approved *LSTA FY 2003 Grant Project Revision* forms. The changes must be approved prior to their being made.

A project revision **is required if:**

- cumulative adjustments to approved activities result in a budget shift of ten percent or more of the grant award; and
- the overall scope and specific objectives of the project change.

If a grantee is uncertain of whether submittal of a Project Revision is necessary in their situation, it is safest to do so, or at the minimum, contact the Library of Michigan's LSTA Specialist for assistance in determining.

Please note: Grant Awards cannot be increased.

Procedure to request a project revision: To request approval, the grantee must submit a *LSTA FY 2003 Grant Project Revision* form. All Project Revision forms must be filed by the project revision deadline of May 31, 2004. If the grantee carries out the project revision before receiving approval from the Library of Michigan, the grantee runs the risk of covering those expenditures with local funds.

Use the *LSTA FY 2003 Grant Project Revision* forms to:

- Describe the proposed project revision. Explain how the revision relates to the goals and objectives of the approved project;
- Show the changes to all Project Objectives, Activities, and Budgets that are affected because of the revision; and
- Revise the *Summary Budget*.

Incomplete projects without approved Project Revision: All grant projects must be completed as described in the original project proposal and any approved Project Revision. If a grant recipient reaches the end of an LSTA Grant Period without acting on one or more of the approved activities of their project, and no project revision or explanation for the incomplete project has been approved by the Library of Michigan, the grant recipient may be ruled ineligible to apply for LSTA funds in the future. The grant recipient will be returned to “eligible” status after a waiting period of 12 months from the date on which the grant was accepted by the Library of Michigan as satisfactorily completed.

Personnel Changes: Changes in key personnel as reported on the original application must be reported to the Library of Michigan on the *LSTA Change in Key Personnel* form.

VIII. PROPERTY AND SERVICES PROCUREMENT

All goods and services purchased with federal funds must conform to applicable federal laws and standards (45 CFR 1183.36) All procurement transactions must be conducted in a manner providing for full and open competition. Procurement by small purchase is a relatively simple and informal method of securing services, supplies, or property that do not cost more than \$100,000. If small purchase procurement is used, price and rate quotations should be obtained from an adequate number of qualified sources. The grantee must retain sufficient records to detail the procurement method used. These records should include, but are not limited to, the following: rationale for the method of procurement; selection of contract type; contractor selection or rejection; and basis for the contract price.

IX. COPYRIGHTS

The federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use for federal or state government purposes, the copyright in any work developed under the grant or contract under the grant, or purchased with grant support (45 CFR 1183.34).

X. REPORTS

Interim Reports: During the grant year, the Library of Michigan will send forms to grantees for reporting project progress. These reports request information pertinent to project expenditures and progress on project objectives. This information is required for federal and state reporting and must be submitted in a timely fashion. A copy of the *LSTA FY 2003 Interim Report* will be provided at the Grant Administration Workshop and will also be available at www.michigan.gov/hal.

Final Reports: The grantee's *LSTA FY 2003 Final Narrative Report* must include achievements, successes/failures, and the impact of the project on the individuals and communities the library serves. The grantee may find it useful during the course of the project to maintain a file of stories, anecdotes, quotes, and comments to include in the final report. Please include such information in addition to copies of any promotional materials. Data supporting evaluation must be included and the use of outcomes based evaluation is recommended. Final reports must include the number of people served by the project. A copy of the *LSTA FY 2003 Final Narrative Report* will be provided at the Grant Administration Workshop and will also be available at www.michigan.gov/hal.

Failure to submit a Final Narrative Report will result in disqualification for future grant awards. The grant recipient will be returned to "eligible" status after a waiting period of 12 months from the date on which the grant was accepted by the Library of Michigan as satisfactorily completed.

A *Final Expenditure Report* will be sent to each grantee after the Library of Michigan has made the final reimbursement. This report confirms the total amount reimbursed for the grantee's project.

Site Visits: LSTA site visits will be conducted by the Library of Michigan on a random basis at a mutually agreeable time. A site visit report will be completed by a Library of Michigan representative.

XI. SINGLE AUDIT REQUIREMENTS AND COSTS

Audit requirements for recipients of federal aid are established according to: Single Audit Act of 1984, Public Law 98-502; Single Audit Act Amendments of 1996, Public Law 104-156; in accordance with Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Michigan public libraries are often included in the Single Audit of their units of local government conducted under the state Uniform Budgeting and Accounting Act. When LSTA funds expended equal or exceed \$300,000 in a fiscal year, in addition to its normal distribution, the grantee should distribute their audit report and financial statements to the Library of Michigan, Attn: LSTA Team

Any library or fiscal agency that is not included in a Single Audit of a local government unit

under the Uniform Budgeting and Accounting Act shall contract with an independent auditor to conduct a Single Audit, in accordance with OMB Circular A-133, when the grantee expends \$300,000 or more of federal funds in the grantee's fiscal year.

Auditors should be informed that payments received from LSTA grant awards are 100 percent federal funds under Catalog of Federal Domestic Assistance (CFDA) 45.310, and subject to the Single Audit Act. All auditors shall comply with the Government Auditing Standards when performing these audits.

When a Single Audit is required because of LSTA funds expended, a copy of the prearranged audit contract (audit engagement letter) between the grantee and either the Michigan Department of Treasury or an independent CPA firm must be filed with the Library of Michigan before the final ten percent of an LSTA award can be released. This contract must show when the Single Audit will be performed and the projected completion date. The grantee should submit the Single Audit report to the Library of Michigan as soon as the audit is completed.

Single Audit costs are allowable charges to LSTA grants only when a Single Audit is required due to LSTA funds expended. Single Audit costs must be included in the approved grant proposal, if reimbursement will be requested.

The allowable amount of reimbursement for Single Audit charges may be calculated as a percentage of the total Single Audit expense. This expense should not exceed the percentage of LSTA funds in relation to the fiscal agency's total federal funds audited. The percentage can be different if cost documentation demonstrates higher or lower actual Single Audit costs for the LSTA funded projects.

If all other documentation is received, projects will be preliminarily closed out by the Library of Michigan prior to completion of the Single Audit report. Approved Single Audit charges will be reimbursed after submission of the completed Single Audit. To obtain reimbursement of Single Audit fees, use the LSTA Reimbursement Request form, supported by a copy of the audit bill with the date paid and check number noted.

The Library of Michigan is responsible for ensuring compliance with federal requirements at both the state and grantee levels. This responsibility includes operating the LSTA program, assuring audit resolution, and maintaining property records.

If there are audit findings, the grantee is required to develop and implement a corrective action plan that addresses the findings and recommendations resulting from its A-133 audit. The Library of Michigan reviews each grantee's Single Audit report and requires that a Single Audit follow-up be sent to the Library of Michigan for inclusion in the grantee's file.

Failure to respond to a Library of Michigan request for audit review follow-up or failure to comply with Single Audit requirements will preclude further participation in the LSTA program.

XII. RECORDS RETENTION

All records for each project must be maintained separately from those of other projects. Accounting records should be supported by source documentation such as canceled checks, paid invoices, and payrolls.

Records must be retained for five years after the date of the final expenditure report or disposition of inventoried equipment. In cases of audit exceptions, records must be maintained until resolution or five years after the date of the final expenditure report, whichever is later.

**Library of Michigan
FY 2003 LSTA Grant Program
Appendices**

APPENDIX A

Contact Information: Mailing, Phone Information, and LSTA Listserv

All documents should be mailed to:

Department of History, Arts and Libraries
Attention: LSTA Team
702 West Kalamazoo Street
P.O. Box 30007
Lansing, MI 48909-7507

Jolee Hamlin, LSTA Specialist	517-241-0021	jhamlin@michigan.gov
Janet Laverty, Director of Business Services	517-373-1550	jlaverty@michigan.gov
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Beth Wetzel, Accounting Technician	517-373-4791	bwetzel@michigan.gov

These individuals also may be reached by fax at: 517-373-5700

LSTA Listserv

The Library of Michigan hosts an LSTA listserv. Individuals may subscribe to the listserv by visiting <http://lists.libraryofmichigan.org/mailman/listinfo/lsta>. The LSTA list provides an on-line forum for the discussion of issues related to the implementation of the Library Services and Technology Act, including questions from applicants about the competitive grant program, and comments on the Five-Year Plan for Michigan. In addition to the discussion generated by its subscribers, this list will include funding announcements and other postings by the Library of Michigan staff for the purpose of clarifying the grant program. The list's intended use is for the Michigan library community.

APPENDIX B

Glossary

Arms-length transaction: When the buyers and sellers of a product act independently of each other and have no relationship to each other.

Audits: Any unbiased examination and opinion of the financial statements of an organization in a given fiscal year. Any political entity that receives more than \$300,000 total in federal funds from all sources is required to have an audit that meets the requirements of federal OMB Circular A-133 (for more information see <http://www.whitehouse.gov/omb/circulars/a133/a133.html>).

Authorized Official: The person authorized to sign legally binding documents for the institution and who will be addressed in communications from the Library of Michigan.

Board Chairperson or Administrative Official: This individual represents the board if the organization reports to a board. If the organization does not report to a board, the Administrative Official is the highest level official who can authorize the library's participation in the LSTA project. In either case, this person is authorized to sign contracts and legal documents on behalf of the organization.

Catalog of Federal Domestic Assistance CFDA# 45.310: See <http://www.cfda.gov/public/viewprog.asp?progid=714> for information on the federal grant to State Library Administrative Agencies through LSTA.

CIPA: The Children's Internet Protection Act restricts the use of funding that is available through the Library Services and Technology Act. These restrictions take the form of requirements for Internet safety policies and technology filters for the Internet. Although a federal district court ruled CIPA unconstitutional in May 2002, this does not remove the NCIPA requirement for public libraries participating in the e-rate Program or the CIPA requirement for school libraries participating in the LSTA program. For more information, go to: www.ala.org/cipa.

Collaboration: Partnering with other libraries, community organizations or other relevant agencies on the proposed project. All partners work together, expend effort and make contributions toward the success of the project. Letters of support are not considered collaborative effort unless the authors of the letters are actively involved in the planning, funding, and/or implementation of project activities.

Expenditure Period: The period identified in the award letter in which project costs and obligation must be incurred.

Fiscal Agency: The organization whose bank account the grant funds flow through for the exclusive benefit of the library organization. The LSTA project reimbursement check, which is issued by the State of Michigan, is made payable to this organization. In some cases, the fiscal agency may be a parent organization (for example, city, township, county, or school district).

Fiscal Agency's Year End: The end date of the audited period (fiscal year) for the fiscal agency.

Fiscal Agent: The individual employed by the fiscal agency who has access to the financial books and records that pertain to the grant project.

Grant Administrator: The grant administrator must be an employee of the applicant library. A grant administrator is generally responsible for completion of the LSTA project application, reimbursement request forms, and the final narrative report at the project's completion. The grant administrator may be the library director or any other staff member assigned to undertake the responsibilities of implementing the project. The grant administrator and fiscal agent may be the same individual.

Grant Contract: A binding legal document that authorizes the implementation of the proposed project and records the legal obligations of the parties to the contract. The grant administrator, the fiscal agent, and the State Librarian (who is the state administrator of LSTA programs), must sign the grant contract.

Grant Period: The period specified in the contract document.

LSTA Purposes: Sec. 231 of LSTA states that directly, or through grants, state library administrative agencies are to expend at least 96% of LSTA funds for:

- a. establishing or enhancing electronic linkages among or between libraries;
- b. electronically linking libraries with educational, social or informational services;
- c. assisting libraries in accessing information through electronic networks;
- d. encouraging libraries in different areas, and encouraging different types of libraries to establish consortia and share resources; or
- e. paying costs for libraries to acquire or share computer systems and telecommunications technologies; and
- f. targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line, as defined by the Office of Management and Budget (OMB) and revised annually in accordance with Section 673(2) of the Community Services Block Grant Act (42 USC 9902[2]) applicable to a family of the size involved.

Multitype Cooperation: Networking and collaborative partnerships among all types of libraries with local government, day care facilities, senior centers, residential adult facilities or any other local agency. Example projects include union listing, common delivery and interlibrary loan arrangements, and/or joint training and planning activities.

Resource Sharing: The sharing of books, equipment, expertise, staff, or other readily available library resources with other libraries in support of current, ongoing activities.

Target Benchmark: A quantifiable measure of the impact of the project. For example, a success point may be to reduce staff time spent on mailing weekly overdue notices by 40 percent. Another example may be to increase circulation by 15 percent within an upcoming year.

APPENDIX C

DEPARTMENT OF MANAGEMENT AND BUDGET, VEHICLE AND TRAVEL SERVICES
SCHEDULE OF TRAVEL RATES FOR CLASSIFIED and UNCLASSIFIED EMPLOYEES
EFFECTIVE JANUARY 1, 2003

MICHIGAN SELECT CITIES *

Meals and Lodging

Lodging (Actual supported by receipts)**	\$65.00
Breakfast	8.75
Lunch	8.75
Dinner	21.00

IN-STATE ALL OTHER

Meals and Lodging

Lodging (Actual supported by receipts)**	\$65.00
Breakfast	7.25
Lunch	7.25
Dinner	16.50

OUT-OF-STATE SELECT CITIES *

Meals and Lodging

Lodging (Actual supported by receipts)	**
Breakfast	\$11.00
Lunch	11.00
Dinner	22.00

OUT-OF-STATE ALL OTHER

Meals and Lodging

Lodging (Actual supported by receipts)	**
Breakfast	\$8.75
Lunch	8.75
Dinner	20.50

Incidental Costs per day	\$ 2.00
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Mileage Rates - Private vehicle

Approved Private Vehicle use Rate (Premium Rate) **\$.360 per mile**

Vehicle & Travel Services Mid-Sized Car Rate **\$.305 per mile**

* See select cities list on the following page.

** Fully reimbursed with receipts and prior approval through grant proposal.

SELECT HIGH COST CITY LIST
TRAVEL RATE REIMBURSEMENT FOR CLASSIFIED and UNCLASSIFIED EMPLOYEES
EFFECTIVE OCTOBER 1, 2002

MICHIGAN SELECT CITIES AND COUNTIES

Cities

Ann Arbor
 Charlevoix
 Gaylord
 Mackinac Island
 Petoskey
 Traverse City

Counties

All of Wayne
 All of Oakland

OUT-OF-STATE SELECT CITIES AND/OR COUNTIES

California	DEATH VALLEY	Maryland	OCEAN CITY
California	LOS ANGELES (Los Angeles, Orange & Ventura Counties)	Minnesota	MINNEAPOLIS/ST. PAUL
California	MAMMOTH LAKES	Missouri	ST. LOUIS
California	SAN DIEGO	Montana	BIG SKY
California	SAN FRANCISCO	New Mexico	SANTA FE
California	SAN JOSE/SUNNYVALE/ PALO ALTO	New York	THE BRONX/BROOKLYN/ QUEENS
California	YOSEMITE NATIONAL PARK	New York	MANHATTAN
Colorado	ASPEN	Ohio	CINCINNATI
Colorado	TELLURIDE	(also the cities of Alexandria, Falls Church, and Fairfax, and the counties of Arlington, Loudoun, and Fairfax in Virginia; and the counties of Montgomery and Prince Georges County in Maryland)	
Colorado	VAIL	Pennsylvania	PHILADELPHIA
DC	WASHINGTON, DC	Pennsylvania	PITTSBURGH
Florida	FT. PIERCE	Texas	DALLAS
Florida	KEY WEST	Utah	PARK CITY
Florida	PALM BEACH	Virginia	WINTERGREEN
Illinois	CHICAGO	Washington	SEATTLE
Massachusetts	BOSTON		
Massachusetts	CAMBRIDGE		
Massachusetts	MARTHAS VINEYARD		
Massachusetts	NANTUCKET		

APPENDIX D

FY 2003 GRANT TIMELINE

Award Announcement Letters and Grant Contracts Mailed	May/June 2003
Grant Administration Workshops	June 2003
Interim Report Due	September 30, 2003
Project Revision Deadline	May 31, 2004
Expenditure Deadline	July 30, 2004
Reimbursement Request Deadline	August 31, 2004
Final Narrative Report Due	September 30, 2004

FY 2003 INCENTIVE MINI-GRANT TIMELINE

Award Announcement Letters and Grant Contracts Mailed	May/June 2003
<i>Making of Modern Michigan</i> Workshops and Library Consultations	Summer 2003
Interim Report Due	September 30, 2003
Interim Budget Report, Second Reimbursement Request and Revised Project Plan Due	January 16, 2004
Final Budget Report and Reimbursement Request Due	June 15, 2004

APPENDIX E

2003 LSTA Advisory Council

Member	Representing
Dave Burnett	Institutional Libraries
Claudia Diaz	Academic Libraries
Stephen Dix	Library Cooperatives
Charlotte Dugas	Multitype Libraries
Carl Hammerstrom	Library Users
Martha McKee	Library Users
Jeanette Nathan	Public Libraries, Class I-IV
John O'Donnell	Library Users with Disabilities
Stephanie Olson	Public Libraries, Class V-VI
Colleen Quain	Library Users
June Van Wingen	Special Libraries
Melissa White	School Libraries
Elaine Didier, ex-officio	Library of Michigan Board of Trustees

Library of Michigan

Christie Pearson Brandau, State Librarian